

Canada - United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada - États-Unis  
Section canadienne

**Report of the Canadian Parliamentary Delegation  
to the Congressional Visit by Members of the Canada-United  
States Inter-Parliamentary Group**

**Canada-United States Inter-Parliamentary Group**

**Washington, D.C., United States of America  
April 22-25, 2008**

## Report

From 22-25 April 2008, Senator Jerry Grafstein, Q.C. and Mr. Rob Merrifield, M.P., Co-Chairs of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation comprised of Senator W. David Angus, Q.C., Mr. James Rajotte, M.P., the Honourable John McKay, P.C., M.P., the Honourable Judy Sgro, P.C., M.P. and Mr. Paul Crête, M.P. to Washington, D.C. for meetings with their Congressional counterparts. Delegates met with more than 30 members of the US Senate and House of Representatives, including Speaker Nancy Pelosi (see attached list).

The primary focus of the visit was meetings with US Senators and Representatives to discuss bilateral cooperation and collaboration regarding such key concerns as management of the shared border (including security issues), energy trade and free trade agreements. In this regard, the visit was similar in intent to previous Congressional visits in respect of such issues as bovine spongiform encephalopathy, trade in softwood lumber, energy and the Western Hemisphere Travel Initiative (WHTI). These Congressional visits provide IPG members with an important opportunity to meet with US federal legislators who do not attend the Group's annual meeting, and thereby to inform them about – and gain their support on – critical issues affecting both countries.

Some members of the delegation also participated in meetings held in Washington at that time by the Pacific NorthWest Economic Region (PNWER), a private-public sector organization with which the IPG has a relatively long association. The PNWER – which includes Alaska, Idaho, Montana, Washington, Oregon, British Columbia, Alberta and the Yukon Territory – exists to foster sustainable economic development throughout the Pacific Northwest region. The PNWER engaged in Congressional visits and held a number of roundtable discussions on the following issues:

- energy;
- the shared border; and
- renewable energy in particular.

In addition to the Congressional visits and participation at selected PNWER meetings, the delegation attended an event hosted by Canadian Manufacturers & Exporters (CME) and the US National Association of Manufacturers. Delegates learned about some of the bilateral problems in respect of the border and shared their insights about federal actions being taken in both countries to resolve irritants. This event was particularly timely in light of the recent meeting by the IPG Executive Committee with members of the business community to discuss the report *Finding the Balance: Reducing Border Costs While Strengthening Security*, in which the CME played a role. A copy of this report, as well as a state trade fact sheet detailing the nature and level of trade and travel between the legislator's state and Canada, was given to each US Senator and Representative with whom the IPG delegation met.

The IPG believes that Congressional visits are an invaluable opportunity to share Canadian views about bilateral issues of shared concern, and intends to undertake such visits in the future as the need arises. Since the meetings with federal legislators are designed to be "off the record," the discussion below summarizes the general nature of the issues that were raised by Canadian and American legislators.

## **ISSUES RAISED BY THE CANADIAN MEMBERS OF THE CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP**

### **SHARED BORDER**

- the bilateral relationship is important to both countries, and businesses and residents benefit from the movement of people and goods across our shared border
- the Canada-US relationship is important for trade, tourism and jobs, and is critical for such sectors as automotive trade since a vehicle crosses the shared border many times before it is completed
- because of delays and unpredictability at the border, the just-in-time inventory systems used by many businesses are "just a joke"
- border delays are costly, and are harming citizens, businesses and communities on both sides of the shared border; for example, cross-border tourism is falling because individuals often are unaware of documentation requirements and some are less likely to take "impulse" trips across the border
- 35 US states have Canada as the primary foreign export destination; smoothly functioning borders are important for exporters
- in order to maximize benefits for both countries, efforts should be taken to ensure that low- and no-risk goods and people are able to move across a secure yet seamless border as easily and inexpensively as possible
- security is as important to Canada as it is to the United States, and both countries are vulnerable since the common enemy has ill-intent for both nations; consequently, there should be a cooperative approach to the shared border as we work together to ensure that terrorists cannot enter North America
- if a terrorist is able to get into Canada and is intent on getting into the United States, a passport is not going to stop him/her
- border resources should be used to assess risk and to target those goods and people who are of unknown or high risk
- our shared border is a shared responsibility and there should be a shared border management plan; with such a plan, one focus should be ensuring that terrorists cannot enter either the United States or Canada

- in developing solutions to our shared border problems, consideration should be given to the recommendations contained in the report *Finding the Balance: Reducing Border Costs While Strengthening Security*
- at some border crossing points – including pre-clearance at Toronto Pearson International Airport – delays occur because of understaffing
- instead of the border, we have a wall of "runaway" bureaucracy along the 49<sup>th</sup> parallel
- despite small progress in a limited number of areas, the situation at the border is getting worse rather than better
- the unilateral imposition of US Department of Agriculture Animal and Plant Health Inspection Service fees (including on railways that do not transport agricultural products), and the requirements of the Western Hemisphere Travel Initiative, result in a thickening of the border with resulting delays and higher costs; the thickening is occurring without any evidence of the need for thickening
- in respect of the Western Hemisphere Travel Initiative, the uncertainty about timelines and acceptable documentation has been hindering cross-border travel for some time
- the Canada-US border is not the same as the Mexico-US border, and legitimate concerns about the southern border should not spill over onto the northern border; the borders are different, have different problems and require different solutions
- it should be remembered that Mexico is not fighting arm-in-arm with the US in Afghanistan
- in an ideal world, we would have a European Union-type model between our countries in respect of the ease with which borders can be crossed while the perimeter, rather than the 49<sup>th</sup> parallel, is secured
- when the US hurts, as it did on 11 September 2001 because of the terrorist attacks and as it is doing now for economic reasons, Canada hurts too
- with a change in the US Administration in November 2008, there may be an opportunity to take positive actions regarding the shared border, and to develop specific solutions to specific problems
- a true understanding of shared border issues must also exist among US Senators and members of the House of Representatives who do not represent border states

## **ENERGY TRADE**

- Canada is the largest, as well as the most secure and reliable, supplier of a range of energy sources to the United States
- Canada has the largest oil reserves in the world
- the electrical grid in North America is interlinked
- Canada is addressing climate change issues, including through a zero-emissions framework as well as carbon capture and storage measures
- Canada is concerned about section 526 of the US Energy Independence and Security Act and, specifically, about the possibility that the section could be interpreted to include the oil sands
- energy security within North America should be a shared goal
- Canada has a number of pilot projects under way in respect of energy, including coal technology as well as carbon capture and storage; bilateral pilot projects would benefit both Canada and the United States

## **FREE TRADE AGREEMENTS**

- 7.1 million US jobs rely on trade with Canada, while 3 million Canadian jobs rely on trade with the US
- a "strong Canada" and a "strong United States" are complementary
- the current election rhetoric in the US in respect of the North American Free Trade Agreement (NAFTA) affects investment and business decisions, and thereby potentially causes harm
- while some job losses may be associated with trade agreements, it is important to note that – generally, and on balance – jobs are created as a result of free and fair trade; moreover, it should be remembered that if jobs are being lost as a consequence of international trade, they are not being lost to Canada: we "build things together," and many sectors are highly integrated
- the common economic "enemies" shared by both Canada and the United States are emerging economies, including China and India, as well as the European Union; our two nations need to work together on all issues, including immigration, since both countries are careful about who is allowed to enter their country
- while the US used to receive about 88% of Canada's exports, that figure has fallen to 75%

## **ISSUES RAISED BY AMERICAN LEGISLATORS**

## SHARED BORDER

- Canada and the United States are like one country – or one community – with a river or a border running through it
- with reduced tourism because of border problems, fewer tolls are collected, which has implications for infrastructure maintenance as well as for the economies of border communities since cross-border tourism is an important contributor to economic prosperity in a number of US states
- just-in-time delivery is critically important, especially for the manufacturing sector; businesses cannot be competitive if they must incur inventory carrying costs
- there is some frustration that there does not seem to be any way in which the border can be made as "slick" as possible
- border delays of 8-10 hours are not uncommon; there are long lines of cars at some border crossing points, and "real" security is not provided since it is relatively easy to cross the border
- both Canada and the United States are harmed by border problems; a workable strategy is needed and shared border management should be the goal
- issues in respect of the Canada-US border will be more easily resolved once there is a new Administration in the White House
- some federal US legislators need to be educated about border issues, particularly those who do not represent border districts or states, since their understanding of the issues – including the integrated nature of the Canadian and US economies and various sectors – may be relatively limited
- bureaucrats implement the laws that the Congress has passed and the President has signed; some Members of Congress did not read the draft legislation that included the Western Hemisphere Travel Initiative
- in the context of Western Hemisphere Travel Initiative-compliant documents, one should be able to board an aircraft with a NEXUS card
- the key challenge is determining how to achieve the United States' security goals without constraining tourism and trade; the US wants the border to provide as much joint protection as possible
- a country that cannot control its border – in terms of who enters and who leaves – will not be a nation for very long
- border problems are a part of the broader issue of immigration problems
- only "stupid" terrorists would cross the border at an identified border-crossing point

- in the Adirondack Mountains, one can cross the border without realizing that one has done so
- the problem is the United States' southern border with Mexico rather than its northern border with Canada; although the borders should be treated differently, the US has allowed some of the challenges with the southern border to create barriers at the northern border
- additional Department of Homeland Security personnel are being deployed to the wrong border
- many communities in Alaska lack a government office at which to obtain government-issued identification, and some people lack a birth certificate

## **ENERGY TRADE**

- Canada and the state of Alaska are good partners in respect of energy development, and have a mutual understanding of the work that needs to be done
- section 526 of the US Energy Independence and Security Act was not directed at the Canadian oil sands
- Alaskans are considering how to move energy from the North Slope to the continental United States

## **FREE TRADE AGREEMENTS**

- notwithstanding the current US campaign rhetoric in respect of the North American Free Trade Agreement (NAFTA), there are some aspects of the Agreement that should perhaps be reviewed, including enforcement; nevertheless, overall, the NAFTA has benefited all partner countries
- between now and the November 2008 election, the NAFTA issue will be clarified and people will become aware of the facts; to date, there has been inadequate education about the benefits of the NAFTA
- the current US campaign rhetoric regarding the NAFTA may not match the reality after the election
- the NAFTA is not in jeopardy
- the NAFTA should be modernized, since much has been learned since the Agreement was signed; there are ways in which it could be strengthened and its perceived weaknesses could be addressed

- if the NAFTA is re-negotiated, the US will have to recognize Canadian concerns about dispute settlement, softwood lumber, agriculture, etc.
- Democrats would like the benefits of free trade to be allocated more equitably throughout society in order that everyone can benefit
- in Latin America, the benefits of trade do not "trickle down," with the result that great disparities – and thereby tensions – emerge; there is a limit to the disparities that democracies can sustain
- the US needs to make free trade "work" for the "left" and the "right," as Canada has done
- while a trilateral – Canada, the United States and Mexico – approach to commercial issues is feasible, a trilateral approach to labour market and border issues will not work
- the US needs a new trade agenda
- some legislators want to normalize US trade with Cuba
- from a trade perspective, China and India are problematic

## **OTHER ISSUES**

### **A. Terrorism**

- terrorists want to instil fear and to change the way that people live and trade; that being said, we cannot live in terror and we cannot expect to see terrorists around every corner
- the American response to the terrorist attacks of 11 September 2001, which was an event from which the US will never recover, must be "smart" and must use technology whenever possible
- the US Administration's response to the terrorist attacks of 11 September 2001 has been indiscriminate, and a false confidence that security actions are keeping the American people safe has been created
- everyone is concerned about what would happen if security is "relaxed"; as far as Americans are concerned, there is no room for error
- the current US Administration has little time left, and is unlikely to take any risks; with a new Administration and a new Secretary of Homeland Security, a priority should be a focus on risk management: an egalitarian approach does not make sense from a cost or a security perspective, and the focus must be on the "high risk" rather than the "known low risk"



- political leaders are risk-averse
- anyone wishing to harm the United States is likely to try to do so during the transition between Administrations
- the "bunker mentality" that has existed since the terrorist attacks of 11 September 2001 must not be permitted to continue; instead, there is a need to review how we secure our people
- air cargo is not sufficiently secure

#### B. US Department of Homeland Security

- the US Department of Homeland Security is inefficient, "out of control" and operating on the basis of "what if" rather than on the basis of what is wise; its motto appears to be: "never do what is right when you can do what is safe"
- a big mistake was made by the Administration and by Congress when the Department of Homeland Security was created; there are too many agencies involved, differing corporate cultures, etc.

#### C. US View of Canada and Articulating the Canadian View

- Canada is the United States' best neighbour, and the US has no greater friend; there is great connectivity between our countries
- a number of US Senators do not believe that Canada is "playing fair" in some areas, including in respect of selected commodities
- Canadians should be sharing their views not with those who support the Canadian point of view, but with those who do not; for example, Canada should not fear commenting, in clear and unequivocal terms, about "silly" Administration policies, since the Administration only understands a public "slap in the face"

#### D. Immigration

- the anti-immigration "fervour" in the United States is directed toward Mexicans rather than Canadians, and is being articulated by Republicans and Democrats (by the former to a relatively larger extent than by the latter)
- the US immigration system is broken and must be fixed

#### E. Environment

- an agreement is needed with China, India and other developing countries regarding global warming; there is little point in Canada and the US reducing greenhouse gas emissions if other countries are not going to do so, since the net result would be that governments in our countries would be placing domestic businesses at a competitive disadvantage
- in China, two new coal-fired plants begin operations each week
- a "Manhattan Project" on new technologies to deal with carbon is required
- the technology required to capture and sequester carbon needs further development
- an international fund to "jumpstart" the process to deal with carbon capture and sequestration is needed
- once a technology has been developed, it should then be distributed for general benefit
- in terms of technology, the initial focus should be the "low-hanging fruit"
- "coal" is not an ugly word; South Africa has learned how to deal with carbon
- a comprehensive Great Lakes restoration strategy is needed

#### F. Economic and Financial Concerns

- the credit market turbulence in the US is self-made, since the Federal Reserve permitted banks, securities dealers and others to sell Triple A-rated securities that were not properly rated
- some companies, such as Bear Stearns, are thought to be "too big to fail"; the consensus view is that, had the Federal Reserve not intervened in respect of Bear Stearns, the "ripple effect" would have been significant
- overall, the US economy is very strong and, in the long term, will be able to weather the current turbulence
- the US is, at present, in a recession; however, things always go in cycles: things go up, and things go down
- some small businesses are unable to get credit and, as a consequence, are using their credit cards to a greater extent
- the United States needs to get its "financial house" in order; the Democrats tax and spend, while the Republicans borrow and spend
- China is engaging in currency manipulation

#### G. Afghanistan

- the United States appreciates the sacrifices being made by Canadians in Afghanistan
- Afghanistan will either make or break the North Atlantic Treaty Organization

#### H. Other

- in the United States, there is a disconnect between "good policy" and "good politics"
- General Motors pays significant amounts related to legacy costs
- the food riots in Haiti are linked to ethanol production
- in some respects, the United States has not treated its friends very well lately

Respectfully submitted,

Hon. Jerahmiel Grafstein, Senator  
Co-Chair, Canada-United States  
Inter-Parliamentary Group

Rob Merrifield, M.P.  
Co-Chair, Canada-United States  
Inter-Parliamentary Group

# UNITED STATES SENATORS AND REPRESENTATIVES WITH WHOM MEETINGS WERE HELD

## United States Senate:

Senator Daniel Akaka (D-HI)

Senator Jim Bunning (R-KY)

Senator Ben Cardin (D-MD)

Senator Saxby Chambliss (R-GA)

Senator Tom Coburn (R-OK)

Senator Larry Craig (R-ID)

Senator Mike Crapo (R-ID)

Senator Chuck Grassley (R-IA)

Senator Amy Klobuchar (D-MN)

Senator Lisa Murkowski (R-AK)

Senator Ben Nelson (D-NE)

Senator Gordon Smith (R-OR)

Senator Ted Stevens (R-AK)

Senator Jon Tester (D-MT)

Senator George Voinovich (R-OH)

Senator Ron Wyden (D-OR)

**United States House of Representatives:**

Speaker Nancy Pelosi (D-CA)

Representative Gresham Barrett (R-SC)

Representative Rick Boucher (D-VA)

Representative Henry Brown (R-SC)

Representative Tom Davis (D-VA)

Representative William Delahunt (D-MA)

Representative Phil English (R-PA)

Representative Rick Larsen (D-WA)

Representative Dan Lipinski (D-IL)

Representative Don Manzullo (R-IL)

Representative Michael Michaud (D-ME)

Representative Jim Oberstar (D-MN)

Representative Louise Slaughter (D-NY)

Representative Mark Souder (R-IN)

Representative Cliff Stearns (R-FL)

Representative Bart Stupak (D-MI)

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	Congressional Visit by Members of the Canada-United States Inter- Parliamentary Group
<b>DESTINATION</b>	Washington, D.C., United States of America
<b>DATES</b>	April 22-25, 2008
<b>DELEGATION</b>	
SENATE	Hon. Jerry Grafstein, Senator, Co-Chair Hon. David Angus, Senator
HOUSE OF COMMONS	Mr. Rob Merrifield, M.P., Co-Chair Hon. Judy Sgro, P.C., M.P. Hon. John McKay, P.C., M.P. Mr. James Rajotte, M.P. Mr. Paul Crête, M.P.
STAFF	Ms. Elizabeth Kingston Executive Secretary Ms. June Dewetering, Analyst
<b>TRANSPORTATION</b>	<b>\$1,569.56</b>
<b>ACCOMMODATION</b>	<b>\$9,481.13</b>
<b>HOSPITALITY</b>	<b>\$1,259.41</b>
<b>PER DIEMS</b>	<b>\$1,495.64</b>
<b>OFFICIAL GIFTS</b>	<b>\$201.50</b>
<b>MISCELLANEOUS/REGISTRATION</b>	<b>\$41.10</b>

**FEES**

**TOTAL**

**\$14,048.34**